

Minutes of the Regular Meeting of the Mayor and Council of the City of South Tucson, Arizona, held Monday, December 18, 2017, at 6:00 p.m. at the City of South Tucson Council Chambers, 1601 South 6th Avenue, South Tucson, Arizona.

Council Present: Idelfonso Green
Robert Larribas
Rufino Cantu
Anita Romero
Carlos Romo

Anita Romero

Staff Present: Sixto Molina, City Manager
Veronica Moreno, City Clerk
Manuel Amado, Chief
Angel Lopez, Public Works Director
Bobby Yu, City Attorney

Others: Benny Young, Pima County

Mayor Green called the meeting to order at 6:00 p.m., and led the Pledge of Allegiance.

ITEM #04 – ROLL CALL – All members of the Council were present, except for Vice-Mayor Mendoza and Councilman Patino, who were excused.

ITEM #05 – CALL TO THE AUDIENCE

Mayor Green: Anybody wishing to speak to the Council may do so at this time. Time is limited to three minutes.

(No response from the audience)

ITEM #06 – APPROVAL OF MINUTES – NONE AVAILABLE

ITEM #07 – MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SOUTH TUCSON AND PIMA COUNTY REGARDING THE CITY OF SOUTH TUCSON REDEVELOPMENT PLAN

Mr. Molina: Mr. Mayor, members of the Council, you have before you a request from me to enter into a memorandum of understanding with Pima County, outlining respective roles and responsibilities for a (inaudible) project. If you recall, at the end of last budget season (inaudible) from Mayor and Council was to enhance economic development within the corporate city limits of City of South Tucson. Since that time, we've received a letter from County Manager Mr. Huckleberry inviting us to participate with Pima County. Pima County is planning to do some economic development on some County-owned property just southeast of the City and Mr. Huckleberry thought that he could include

South Tucson in this particular development to even out the 63 acres or so along Interstate 10 between 6th Avenue and the railroad tracks. And in that regard, we have Mr. Benny Young, project manager for the (inaudible) to give us some details about what's being proposed at this particular point in time.

Mr. Young: Mr. Mayor, members of the Council, it's a pleasure to be back in South Tucson (inaudible) California for a little while but moved back last summer. And most of you know that I worked here previously as your City Manager for six months and enjoyed it immensely. I appreciate the work that you all do and I'm thankful to potentially be involved with you again in a small way. The County, I'm working part-time now for Pima County and the County is interested in improving the tax base for the southeast portion of the community. And I've been asked to help in that regard, along the I-10 corridor which begins at the I-19/I-10 interchange come southeast through South Tucson, through the Bridges, your neighbors to the east, the City of Tucson, and then to and through the Kino Sports Complex. For a short period of time after I was your manager, I also, for six months, was the Director of the Pima County Stadium District which includes the Kino Sports Complex. And the County, if you aren't aware of it, I can summarize quickly what they're planning to do. And I think your manager passed out a map that you may have in front of you that shows the corridor of interest and what the County is planning to do at Kino Sports Complex. The County bought 167 acres of platted parcels south of I-10, east of Kino Boulevard, and plan to extend the facilities associated with Kino Sports Complex and that area. The master plan for the 167 acres south of I-10 includes 21 new soccer fields; the possibility of a stadium, an arena for soccer; maybe a new community center, and then there are some other areas that are still under discussion, the possibility of another kind of sports-related facility, maybe a water park or ice hockey arena, or something like that. It hasn't been determined. But what is going to happen in the near future, within six months, the County plans to break ground on the first 12 fields associated with that complex on that master plan that the manager was kind enough to make copies of it for you. And that's going to sort of extend the capacity of the Kino Sports facility quite a lot. When I was there, there really weren't enough soccer fields (inaudible) satisfy the needs of the sport community for soccer. So that's Phase 1 of the larger development. And what will happen we hope, when those fields are developed, there will be some related commercial retail investment opportunities particularly along in that area along Kino Boulevard and Benson Highway adjacent to the Kino Sports Complex. One of the things I learned when I was at the complex is that there is not enough room space when you host a major soccer tournament at that location, or baseball tournament, for that matter. So in my view, and one of the things I hope will happen over time is that there will be additional hotel rooms developed in this part of the community because right now there is a deficit and when the sports park is extended, there will be even more of a deficit. There will also be related commercial retail opportunities (inaudible) sports tournament, for example, at Kino and people bring families and they want to stay in the community and they need access to food, as well as hospitality and accommodations. So I'm hoping that there will be some support services, that opportunities that result from the County's goal for that complex. What the County has asked me to do is work on identifying some opportunities along the entire corridor from I-19 through South Tucson through the Bridges, and through the Kino Sports Complex. So my assignment is quite a large one, but how it relates to you and the item in front of you is the County is willing to help the City of South Tucson identify and perhaps pursue some economic development opportunities in the area that you're all familiar with that some property along the frontage road, Interstate 10 from 4th Avenue to 6th Avenue and then on over to the Union Pacific Railroad, which is your east boundary. If you add it all up, there's almost 70 acres that could be developed or redeveloped in some fashion. One of the attachments to the report that your manager put together

for you is a little economic vitality presentation that we put together when I was here before that identified the possibility of establishment of a GPLET, that's a government property (inaudible) area in that portion of South Tucson between 4th and Union Pacific Railroad. So about half of that, 37 acres to be exact, is already, you've already taken the first step to establish the G, everybody calls it GPLET. I apologize for using the acronym, but it's an economic development incentive tool that will be available to the property owners to develop their property eventually. It involves the potential of deeding the property to the City and the property taxes will waive for up to eight years as an incentive to invest and developing their properties. So that tool, it's, the foundation for that has been laid by (inaudible) with previous actions and one of the things that we can potentially help with is to get that further developed. In the near term, what the County is willing to do is facilitate a discussion, convene a discussion of the interested parties, the property owners in that area, to talk about what their constraints are and what are some of the opportunities for developing or redeveloping that area. And the County is willing to make my services available through a systematic discussion. And the County is also willing to hire a little bit of expert help to assist me with that in preparation of maps, facilitating the session, and then summarizing it for you so that you can decide whether the opportunities that might get identified through such a process, call it a planning, a brainstorming (inaudible) make sense to you and are appropriate for the community so that then it can be used as an economic development tool to encourage investors in that part of the community. What you would do today, if you approve the manager's recommendation, is simply kind of take the County's, the County made that offer in April before I was back from California, to assist in planning and discussion for the development, redevelopment of this area in a way that would benefit both the City of South Tucson's tax base and Pima County's tax base. And quite honestly, our neighbors to the east, the City of Tucson, (inaudible) Arizona has property at the Bridges (inaudible) and, that I think they're getting closer to launching a development effort for that property. It's at the southwest corner of Kino and 36th and so my job is to kind of help coordinate the discussions, not to be dictatorial or prescriptive to what might happen, but to try to get us all working together so that we're not working at odd purposes, and that we can have, at least understand of where we're at and who's doing what, and stay coordinated. I think there are tremendous opportunities in this corridor, Mr. Mayor, members of the Council. I'm so pleased that the County is willing to assist with this, with your concurrence. If you're willing to have us do that, it will make my time available and I will bring one of the local architects in to assist me with that, and bring some maps and (inaudible) the results of (inaudible) that we might have some time in January if this is something you wish to do. And so your motion that's in front of you tonight is simply authorize your manager to enter into a memorandum of understanding with us so that it's clear what the roles and responsibilities are. I think it would be very simple. Basically, it would say that we're going to assist with this, coordinating with other agencies, maybe assist you in handling some of the expressions of interest that come from such a discussion, maybe help further the GPLET, take the next step on that and I would work through your City Manager on any and all issues related to South Tucson. I've already, in the last couple of months, I started shortly after entering the County, talked to a number of the property owners and parties (inaudible) this area, not all. But there's a lot of enthusiasm for doing something that really fits with the history, culture, tradition of South Tucson and works for you as you continue to work to strengthen your retail tax base in particular. So, Mr. Mayor, I'd be happy to try to answer any questions you might have.

Mayor Green: Any questions?

Councilman Larribas: I have a question. Now is this a for sure thing that you guys, that the County is going to do, or this is just something that, that this is just an idea?

Mr. Young: No, ...

Councilman Larribas: (Inaudible) ...

Mr. Young: ... if, if you pass the Manager's, approve the Manager's recommendation tonight, I already have a proposal from an architect and we would proceed to finalize that and work with your Manager to schedule the (inaudible) as soon as we could, probably late January. So we're committed to doing it, if you want us to. We're not here to tell you what to do, but we would like to help you because it helps the County and the larger region as well.

Mayor Green: Any other questions?

(No questions from the Council)

Mayor Green: I have one, or a couple actually. On the GPLET itself, you said that the deeds would be deeded to the City?

Mr. Young: The way a GPLET works is it stands for Government Property Lease Excise Tax. It's the same tool that the City of Tucson is using for some of their downtown redevelopment projects. If you have all noticed the Marriott Hotel that's gone up in downtown Tucson, that was a GPLET project. And the way it works is the property owner, it's a voluntary thing, if they choose to take advantage of that economic development incentive, they deed the property to the City which then it goes off the tax rolls for up to eight years on the premise made that by not paying property taxes, they had more funds to invest in developing their property. The State gets involved too because it's a State, it's a mechanism made available by the State, whom I have already talked to, I talked to the Governor's Office this afternoon and told them that South Tucson was interested in this. We have, we would have, and I would be willing to help your staff and you all do that, make a demonstration, show that there is a return to the taxpayers. It goes (inaudible) for eight years but you have the development that comes in and generates ...

Mayor Green: Revenue.

Mr. Young: ... (inaudible) property tax and more particularly, in your case especially ...

Mayor Green: Sales tax.

Mr. Young: ... retail sales tax. And the, it's worth the taxpayer's investment is what we have (inaudible) ...

Mayor Green: Correct. Okay.

Mr. Young: ... (inaudible). Yes, sir.

Mayor Green: And the other question was that this is a program that we are going have a say as to what goes in these areas. Am I correct?

Mr. Molina: It is your decision.

Mayor Green: Okay. Yeah, 'cause ...

Mr. Young: Your plan, not our plan.

Mayor Green: Right, 'cause (inaudible) ...

Mr. Young: (Inaudible).

Mayor Green: Yeah, 'cause I don't want to have another Pasadera or something like that coming in, you know.

Mr. Young: Right.

Mayor Green: With the mistakes that were made from the previous administration on that. So that's the last thing, you know, we want to do or fight another one of those.

Mr. Young: Thanks for noting that is, I, the way I see it is the results come back to you and you get to decide.

Mayor Green: Okay.

Mr. Young: You're the policy makers for the City of South Tucson.

Mayor Green: Well, that's all I have. Any other questions?

(No questions from the Council)

Motion by Councilman Larribas to approve the memorandum of understanding between the City of South Tucson and Pima County regarding the City of South Tucson Redevelopment Plan. Seconded by Councilman Cantu. Motion passed unanimously.

ITEM #08 – REPORTS – No reports at this time.

ITEM #10 - ADJOURNMENT

Motion by Councilman Larribas to adjourn the Regular Meeting. Seconded by Councilman Cantu. Motion passed unanimously. The meeting adjourned at 6:17 p.m.

Mayor

ATTEST:

Veronica Moreno, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of South Tucson, Arizona, held on the 18th day of December, 2017. I further certify the meeting was duly called and a quorum was present.

Dated this _____ day of _____, 2017.

Veronica Moreno, City Clerk